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Business & Financial News from 11/1/2001 to 12/15/2001

Houston based Enron Corporation lays out the plan for Chapter 11 bankruptcy. The failed Azurix water unit and wind energy assets may be sold for \$4-\$6 billion dollars. Other assets as the energy trading unit may be sold to one of three financial bidders including JP Morgan Chase, Citicorp, two of the largest Enron creditors, or UBS Warburg. Enron employee 401K pension funds were vested in Enron stock, now virtually worthless! Enron's total bank debt, including bonds and derivatives is about \$15 billion. Accounting firm Arthur Andersen's CEO has been quoted as saying that Enron did not disclose subsidiary company information to Andersen, a felony violation of SEC regulations. Enron hid negative balance sheet information through affiliated companies. Total value of failed Enron Corporation is over \$60 billion dollars, including stock and preferred shareholders values.

The Microsoft Anti-Trust Deal is under bipartisan fire in Congress. The Senate Judiciary committee has been overseeing the Justice Department's proposed deal, with nine states still pressing for tougher terms.

Bristol-Myers Squibb Co. has received an antitrust lawsuit from 29 states. The attorneys general alleged that the Company illegally kept generic versions of its BuSpar anxiety medication off the market, cheating consumers out of millions of dollars.

Prudential Financial launched the largest IPO ever in the insurance business, selling \$3 billion dollars of stock to investors.

AOL Time Warner CEO Gerald Levin announces his retirement from the Company, effective May 2002, the earliest date his employment contract offered.

Vivendi-Universal executive Edgar Bronfman, from the Seagrams family, resigns the number two position at the media conglomerate. French based Vivendi retains Jean-Marie Messier as CEO.

Barry Diller, of USA Networks and the Home Shopping Channel has been named chief executive of Universal Studios, overseeing all theme parks, television, and motion picture operations. The huge music & publishing division of Universal will remain under separate management.

Vivendi-Universal has announced a financial partnership with Echostar / DirecTV in the range of \$1.5 billion dollars. The strategic partnership is designed to provide content for HDTV and traditional satellite

subscription broadcasts.

The Federal Reserve Bank reduces the prime rate for the 11th time this year.

Hollywood studios and directors agreed this week on a new three year contract six months earlier than the deadline in May 2002. Runaway productions to foreign countries has been one of the major issues in resolving conflicts early.

Major League Baseball places contraction on hold until 2003. Speculation from many general managers is based on elimination of collective bargaining and other labor / salary issues wrapped up in a smokescreen of talks regarding team elimination.

"Anaheim Angels' Done Deal Disintegrates". Headlines from the Orange County Register detail Disney executives nixing a negotiated trade with the Chicago White Sox involving Angel Darin Erstad and the Sox' Garland, Singleton, & two minor league players.

ABC & AOL Sports purchase 6 year rights to broadcast the NBA, winning the bid from NBC.

NBC announces the elimination of broadcast advertising bans on hard liquor commercials, allowing Smirnoff vodka and other Diageo brand to advertise on the peacock network from 9-11 PM and on the Tonight Show with Jay Leno & Saturday Night Live. ABC, CBS, & FOX networks will allow only beer and wine advertisements at this time.